

25—4.8(175) Loan closing procedures.

4.8(1) IADA conditional commitment. If the application is approved, a conditional commitment to participate will be sent to the lender.

4.8(2) Before loan closing.

a. Lender will submit to IADA:

- (1) Signed conditional commitment to participate.
- (2) Preliminary title opinion on real estate collateral, if applicable.
- (3) Appraiser's certification (completed by third-party appraiser).
- (4) At least three days prior to closing, in the IADA office:
 - Copy of the UCC search on the borrower.
 - Credit Bureau report on the borrower.
 - Copy of blank promissory note form to be used if loan is not a part of Aggie Bond program.

b. IADA will submit to lender:

- (1) If participation is for a project that is NOT also funded through the IADA beginning farmer loan program (BFLP), IADA will forward loan participation certificate and agreement.
- (2) If participation is for a project that IS also funded through the IADA beginning farmer loan program (BFLP), the IADA will forward the loan participation certificate and agreement along with the closing documents for the BFLP bond.

NOTE: A Loan Participation coupled with a loan with the Beginning Farmer Loan Program will need to close the same day.

4.8(3) On loan closing day:

a. Lender closes loan for the approved agricultural purchase and forwards the following to the IADA:

- (1) Original signed loan participation certificate and agreement.
- (2) Copy of signed promissory note.
- (3) Copy of signed mortgage, if applicable.
- (4) Copy of signed security agreement.
- (5) Copy of bill of sale, purchase agreement, or sales receipt of purchase(s).
- (6) Copy of recorded UCC filing.

b. Upon receipt of the above items, the IADA will disburse their participation funds, less 1 percent loan participation fee.

4.8(4) Final title opinion. For real estate loans, the participating bank will be expected to forward a copy of the final title opinion within 90 days after closing.

4.8(5) Recording documents and fees. Any recording or filing fees or transfer taxes associated with the participated loan will be paid by the borrower or lender and not the authority. Also, the authority will have no responsibility with respect to the preparation, execution, or filing of any declaration of value or groundwater hazard statements.